



STATE OF TENNESSEE
BOARD FOR LICENSING CONTRACTOR

Mailing Address: 500 JAMES ROBERTSON PKWY., NASHVILLE, TN 37243-1150
(615) 253-5741 or (800) 544-7693 - Fax (615) 532-2868
www.tennessee.gov/commerce/boards/contractors or Email: Karen.Baker@TN.GOV

INSTRUCTIONS/CHECKLIST
TRANSFER-CHANGE MODE OF BUSINESS OPERATION (\$100.00 Fee)

Complete the attached "Transfer – Change Mode of Operation" application and submit with the following:

1. _____ "Contractor's Affidavit" page 3 - which states in part, the liabilities of former license operation has been satisfied; (Rules and Law may be reviewed from our website, TCA § 62-6-111(e) & Rule 0680-1.08).
2. _____ Attach a current financial statement (see page 5) and proof of general liability / workers compensation insurance (see page 6) in the new company name;
3. _____ Attach applicable certificates, such as an amended Charter, Articles of Organization, Certificate of Authority, which are obtained from the Tennessee Secretary of State's office at (615) 741-2286 or from their website at: http://www.state.tn.us/sos/bus_svc/forms.htm
4. _____ Letter of explanation if you checked "yes" on questions regarding complaints, liabilities unsatisfied, etc. If QA has changed, may download "QA - Add" form from website.
5. _____ Letter of Relinquishment (if there were other owners or officers leaving company); and
6. _____ Mail to the address above with \$100.00 fee (no cash). Make check payable to the **Contractor's Board**. Must be received by the deadline date, which is the last day of the month prior to the Board meeting, to ensure it is processed in time. For example, if received on April 30th, it will be reviewed at the May Board meeting. If received in May, it will be reviewed at the July Board meeting.

Revision requires Board review for approval (meetings are in January, March, May, July, September and November). Personal appearance before the Board is **NOT** required. (Note: if needed prior to the next Board meeting, may apply for "Hardship" review. See website for criteria.)

Note: Transfer is for a mode of operation change, only, as the license is not transferable to a new entity. If there has been a change in ownership, merger, reorganization or purchase by nonstockholders, please notify our office for a new license application, instead of completing this form, or obtain from the forms download from the website. Partnerships must apply for a new license (may retain license number) when dissolving (see Rule 0680-1-.08).

- **When submitting this form at renewal time, you may receive a renewed license before the revised license, as revisions must be reviewed by the Board at their regularly scheduled meetings. Do NOT send or attach with renewal; mail separately to the address above.**
- **If there has been a change in ownership, merger, reorganization or purchase by nonstockholders, please notify our office for the new license application instead of completing this form!**
- **Please allow up to six (6) weeks to be processed. Requires Board approval at their regular scheduled meetings. A personal appearance is NOT required. If your application was submitted incomplete, you will be notified in writing to supply additional information.**
- **Do not operate in the new mode of operation until your license has been approved and issued! The revised license will be mailed within two weeks after the Board meeting, or you may view on the website at: <http://licsrch.state.tn.us/> (Always contract in the exact name as licensed!)**
- **If your QA (Qualifying Agent) has changed, please submit their exam scores with "QA - Add" Form which may be obtained from the downloadable forms from our website at: <http://www.state.tn.us/commerce/boards/contractors/formsandapps.html>**
- **Proof of Insurance-** General Liability is required for all revisions.
 - _____ *Attach a **Certificate of Insurance**- You may obtain this by contacting your insurance agency
 - _____ *Certificate must show **Policy number** (Not Binder or Account Number), **Beginning and Expiration dates**, **Limits of Insurance**, **Name as on License** must appear in the Insured box. The **Board should be listed as the certificate holder**.



TENNESSEE BOARD FOR LICENSING CONTRACTOR

Mailing Address: 500 JAMES ROBERTSON PKWY.

NASHVILLE, TN 37243-1150

(615) 253-5741 or (800) 544-7693 - Fax (615) 532-2868

WWW.TENNESSEE.GOV/COMMERCE/BOARDS/CONTRACTORS or Email: KAREN.BAKER@TN.GOV

TRANSFER FEE: \$100.00

TRANSFER - CHANGE MODE OF OPERATION

Current License Mode of Operation: Individual Corporation Partnership LLC

Transferring to: Individual Corporation Partnership LLC

License ID#: _____ Expiration Date: _____

Current Name on License: _____

Address: _____
(Address Change: Yes - Address above indicates new address No change of address)

Telephone: _____ Cell: _____ Fax: _____

Email: _____

Owner(s)/Officer(s) and Titles (may submit attachments):

1. _____ % 2. _____ %

3. _____ % 4. _____ %

Qualifying Agent(s): _____

(Person(s) who passed exam; or designated employee/ officer if licensed prior to exams)

Are there complaints or outstanding judgments against this company? No *Yes

(If yes, please attach an explanation)

NEW COMPANY NAME INFORMATION

1. New Name to be on License: _____

(Name must be exact as on attachments)

2. Has there been a change in owners, officers or titles: No; *Yes - List below and %:

1. _____ % 2. _____ %

3. _____ % 4. _____ %

3. Has Qualifying Agent Changed: No *Yes - Please attach exam scores with add QA form

4. Reason for Change in Mode: Tax Reasons; Dissolved; Owners/officers left;

- Other: _____

5. Do you have one (1) or more employees? Yes (Attach workers comp insurance) No - Zero employees

6. Please complete "Contractor's Affidavit" (page 3); attach proof of insurance; and review checklist (page 1).

- FOR OFFICE USE ONLY -

Classification: _____ Monetary Limit: _____

W/C _____ N/W _____

Denied - _____; Approved; _____

Board Member

Date
RDA 1578

CONTRACTOR'S AFFIDAVIT

1. _____
(Contractor Name - As to be on Revised License)
- New Mode of Operation:** { } Corporation { } Partnership { } Individual { } Limited Liability Company
-
2. To the best of my knowledge, information, and belief, a petition in bankruptcy { } ***HAS { } HAS NOT** been filed within seven (7) years preceding the filing of this transfer application, from any person who is an officer, owner, partner on this license. *(If such petition has been filed, attach information and an explanation of the proceedings hereto as part of affidavit.) Further, all liabilities of former operation have been satisfied.*
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3. As "Contractor" (owner/proprietor or partner, officer, director, qualifying agent or major stockholder) with this company, firm, or corporation, do hereby affirm, I/we { } ***HAVE { } HAVE NOT** been convicted of a felony, participated or any other conduct which constitutes improper, fraudulent, or dishonest dealings, involvement with any company who is in violation of T.C.A. 62-6-118. *(If you checked "HAVE", please attach an explanation, copy of court documents, and probation release, with copy of background check showing timeline of activity.) Note: May be subject to background check and the Board may deny a license.*
-
4. As "Contractor", I/we { } ***HAVE { } HAVE NOT** bid, offered to engage or performed any construction, in the State of Tennessee, where the amount of the contract would require a license to engage in contracting, in the new name or mode of operation to be licensed. If so, please attach an explanation.

I/we affirm in applying to the Tennessee Board for Licensing Contractors for a license name change to engage in contracting with the State of Tennessee, hereby depose and say as follows:

Information provided in this application is true and correct, submitted to the Board for Licensing Contractors for the express purpose to change the license name of contractor's license, in the State of Tennessee. Further, there has been no change in ownership, merger or reorganization pursuant bankruptcy, which requires a new license.

***If you checked "HAVE" or "HAS", please attach explanation-**

The individual, owners, qualifying agent(s), partners, major officers, controlling stockholders, or Chief Executive Officer duly authorized by the Board of Directors, with this entity, must execute this affidavit). If the liabilities and/or complaints from former operation have not been satisfied, please attach an explanation.

_____ (Print Name)	_____ (Title)	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)
_____ (Print Name)	_____ (Title)	_____ (Signature)

Subscribed before me this _____ day of _____, 20 _____.

_____ (NOTARY PUBLIC)	My Commission Expires: _____ State of _____
(SEAL)	

Tennessee Board for Licensing Contractors
500 James Robertson Pkwy., Suite 110
Nashville, TN 37243-1150
Telephone: (615) 253-5741 or 800-544-7693
Fax: (615) 532-2868
www.state.tn.us/commerce/boards/contractors
Email: Karen.Baker@state.tn.us



LETTER OF RELINQUISHMENT

Date: _____

LICENSE ID # _____

I, _____, formerly of _____,
(Print Name of Person Leaving) (Name on License)

Hereby relinquish all rights to said license. Further, I understand by relinquishing these rights, I would need to reapply for a contractor's license before conducting business as a licensed contractor.

(Signature)

Subscribed before me this _____ day of _____, 20_____.

(Notary Public) My Commission Expires: _____
State of _____

(Seal)

***(To be completed by any owner/ officer leaving the licensed company,
in order for remaining owners/officers to continue with license)***

**CONTRACTOR'S FINANCIAL STATEMENT – BALANCE SHEET**

LICENSE NAME: _____

ADDRESS: _____

DATE: Financial Statement as of _____, 20____
(Month) (Day) (Year)**Mode of Operation**

- ☐ INDIVIDUAL
☐ CORPORATION
☐ PARTNERSHIP
☐ LLC
☐ LLP

CURRENT ASSETS	\$	Dollars Only		
1. Cash on Hand and in the Bank				
2. Accounts Receivable (<i>Completed Contracts- expected to be collected within one year</i>)				
3. Underbillings on Work in Progress (<i>Uncompleted Contracts</i>)				
4. Marketable (Trading) Securities, Stocks and Bonds (<i>List at Cash Value</i>)				
5. Inventories - <i>Materials or Houses Built or Developed Lots for Sale</i>				
6. Retirement Plans (IRA; 401K; Profit Sharing) <i>*(List at Cash Value)*</i>				
7. Cash Surrender Value of Life Insurance				
8. Prepaid Expenses (<i>Insurance, Taxes, Interest, Rents, Other, etc.</i>)				
9. Other:				
TOTAL CURRENT				
ASSETS				
NON-CURRENT ASSETS				
10. Accounts / Notes Receivable (<i>amounts not due within one (1) year</i>)				
11. Long Term Investments				
12. Land				
13. Depreciable Assets (<i>buildings, equipment, tools, furniture, fixtures, etc.</i>)				
14. Other Assets (<i>Non-Current</i>)				
TOTAL ASSETS				
CURRENT LIABILITIES & EQUITY (NET WORTH)				
15. Credit Cards (total)				
16. Accounts Payable (due within one (1) year)				
17. Overbillings on jobs in progress (<i>owed to subcontractors</i>)				
18. Equipment Encumbrances (<i>Notes</i>) (Due within 1 year)				
19. Real Estate Encumbrances (<i>Mortgages</i>) (Due within 1 year)				
20. Other:				
TOTAL CURRENT				
LIABILITIES				
LONG TERM LIABILITIES				
21. Accounts Payable (Amount due after 1 year)				
22. Equipment Encumbrances (<i>Notes</i>) (Amount Due after 1 year)				
23. Real Estate Encumbrances (<i>Mortgages</i>) (Amount due after 1 year)				
24. Billings in excess of costs (uncompleted contracts)				
25. Other:				
TOTAL				
LIABILITIES				
EQUITY (Net Worth)				
TOTAL LIABILITIES & EQUITY				

Current Assets minus Current Liabilities equal "Working Capital"; Total Assets minus Total Liabilities equals "Net Worth". This is the formula used to affirm your monetary limit (10 times the lesser of working capital or net worth).

*Retirements plans are applied at only 50% of the cash value

- This is a sample balance sheet for contractors with a monetary limit of **LESS THAN \$1,500,000** or you may attach your own financial statement in lieu of this page

GENERAL LIABILITY INSURANCE INFORMATION

Effective July 1, 2007, a new law requires all contractors to obtain General Liability Insurance in order to renew or apply for a contractor's license. In addition, workers compensation insurance is also required. Contractors with one (1) or more employees, such as a qualifying agent, must provide proof of workers compensation insurance.

In order to comply with the new legislation, the Board has established the following as a "minimum" amount of coverage to obtain and a rulemaking will be held to discuss these amounts. Please check with your insurance provider, as they may advise to apply for more or additional coverage, based upon your individual needs and the amount of projects you perform.

<u>Contractor's License Monetary Limit</u>	<u>Minimum General Liability Insurance</u>
Up to \$500,000	\$100,000
\$500,001 to \$1,500,000	\$500,000
\$1,500,001 to Unlimited	\$1,000,000

Proof of workers compensation insurance to be in the following format:

- "Producer" section must include the name of the insurance agency, and telephone number
- "Insured" section should list the name of the contractor and license ID number
- "Certificate of Insurance" should list the name of the insurance company;
(“To Be Determined” or “TBD” is not acceptable)
- Policy effective and expiration date must fall within the period of license
- "Description of Operations" portion must list: "State of Tennessee Contractors License"
- "Certificate Holder" section should list the "Board for Licensing Contractors" and our address:
500 James Robertson Parkway, Suite 110, Nashville, TN 37243-1150, and license ID#
- "Cancellation Notice" section must be completed with at least 10 days notice to be given
- "Certificate of Insurance" must be signed by an authorized representative of the insurance company

Excerpt of Law Pertaining to Mode Changes

62-6-111. License and examination — Transfer of license. —

(e) (1) Whenever a partnership licensed as a contractor dissolves, no former member of the partnership shall further undertake contracting before filing a new application with the board and receiving a license.

(2) In the case of a merger, purchase by nonstockholders of the majority interest, or reorganization pursuant to a bankruptcy proceeding, of any licensee engaged in contracting, the licensee shall make written application to the board and obtain a new license before undertaking contracting.

(f) (1) Upon application of any individual who was formerly a partner in a dissolved partnership, the board shall transfer to such individual the license formerly held by the partnership upon a showing that:

(A) The individual was a partner in a dissolved partnership;

(B) The current financial statement of such individual meets the requirements promulgated by the board. If such financial statement fails to meet such requirements, the board may in its sole discretion modify the monetary limitation prior to transfer; and

(C) All liabilities of the partnership were satisfied prior to dissolution or will be satisfied by the individual.

(2) The board for transferring such license shall collect a fee as set by the board.

(g) (1) The board shall transfer, upon application and payment of a fee as set by the board, by any proprietorship or partnership which subsequently incorporates as a Tennessee corporation, the license formerly held by such proprietorship or partnership to such corporation upon a showing that:

(A) The officers or directors or management of the corporation were the owners or managers of the proprietorship or partnership;

(B) A copy of the corporation's charter has been filed with the board;

(C) The partnership or proprietorship is currently in good standing with the board;

(D) The current financial statement of such corporation meets the requirements promulgated by the board. If such financial statement fails to meet such requirements, the board may in its sole discretion modify the monetary limitation prior to transfer; and

(E) All liabilities of the proprietorship or partnership were satisfied prior to incorporation or will be satisfied by the corporation.

The law may be reviewed in its entirety at:

<http://www.michie.com/tennessee/lpext.dll?f=templates&fn=main-h.htm&cp=tncode>

(See Title 62, Chapter 6)

Excerpt from Rules and Regulations

0680-1-.09 CHANGE IN MODE OF OPERATION.

(1) Whenever a partnership licensed as a contractor dissolves, no former member of the partnership shall further undertake contracting before filing a new application with the Board and receiving a license.

(2) In case of a merger, purchase by non-stockholders of the majority interest, or reorganization pursuant to a bankruptcy proceeding, of any corporation engaged in contracting, the corporation shall make written application to the Board and obtain a new license before further undertaking contracting.

(3) Individuals or Corporations seeking a new license pursuant to *T.C.A. §§ 62-6-111(f) and (g)* shall submit a letter which addresses the requirements of *§§ 62-6-111(f) and (g)*. In addition, the applicant shall submit an affidavit that all liabilities of the partnership or proprietorship were satisfied or will be satisfied by the individual or corporation.

(4) In the event of a change in mode of operation as outlined in *T.C.A. §§ 62-6-111(e)*, appearance before the Board will be necessary unless specifically waived by the Board.

Authority: *T.C.A. §§62-6-108 and 62-6-111(e), (f), and (g).* **Administrative History:** *Original rule filed July 22, 1974; effective August 21, 1974. Repeal and new rule filed January 20, 1977; effective February 19, 1977. Amendment filed May 19, 1980; effective July 3, 1980. Amendment filed June 28, 1984; effective July 28, 1984. Amendment filed January 31, 1996; effective April 16, 1996.*

Rules may be reviewed in their entirety at: <http://www.state.tn.us/sos/rules/0680/0680.htm>

(See Section 0680)
